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## LETTERS & BULLETINS

### A Message on the Budget

March 1, 2010

#### To the campus community of Georgia Tech:

As I am sure you are aware, last week the Joint Appropriations Higher Education Subcommittee of the Georgia General Assembly, requested that the University System of Georgia identify the impact of a proposed \$300 million reduction to the state appropriation. This would result in an additional \$38 million reduction to Tech's appropriation.

Building on the hard work of a number of others, this past weekend members of the executive leadership team and I prepared and forwarded to the System Office a plan that outlines how Georgia Tech could potentially incorporate these additional reductions in our FY '11 state appropriations. What we submitted represents our initial thinking at this point in time, and outlines how we might deal with an additional reduction of \$38 million on top of the nearly \$55 million we have already received over the past two years. Because some of what we have provided to the University System of Georgia is likely to appear in the press, I wanted to provide you some context.

The proposed reduction is significantly greater than we had anticipated and it appears that there is a great deal of discussion regarding the context of the request we received. It is also important to understand that what we submitted, which includes a possible reduction of about 450 positions, was made on the basis of several assumptions imposed by the Committee, including no tuition increases, no formula increases, and several other significantly limiting conditions. As such, it represents a first estimate of how we might respond to the budget reductions being discussed at this point within these restrictions.

To date, we have managed the budget reductions without substantially impacting the quality of what we do. Incorporating the proposed additional reductions will make this considerably more difficult, however this will continue to be our goal -- to ensure the quality of what we do, even if it means we must do less.

While I do not believe that Georgia Tech or the University System should be immune from additional budget reductions given the serious and continuing drop in revenue the state is experiencing, rest assured that we continue to do everything we can to impress upon our legislators the long-term implications of a reduction of this magnitude. Higher education, and particularly higher education at Georgia Tech remains one of the best investments the state can make, both in terms of the graduates we produce and the economic development we generate. Our concern is that to enact a cut on the order of magnitude legislators are considering will sacrifice the state's long-term prosperity in order to help to address what many believe to be a short-term problem.

[2010 Annual Report \(9.2M PDF\)](#)

([/president/sites/president/files/GeorgiaTech2010InteractiveAnnualReport.pdf](#))

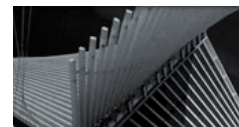
[Georgia Tech Fact Book](#)

(<http://www.irp.gatech.edu/factbooks/factbook.html>)

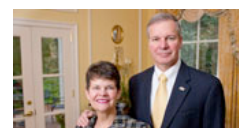
[Recent Trends and Milestones: Summer 2010 \(2.0M .pdf\)](#)



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I hope that this provides some insight into our situation and current thinking. While I realize that words are often of little comfort when faced with the consequences of this magnitude, I want to assure you that we do not take the impact of these proposed actions on our community lightly, and we remain committed to being as open, inclusive and direct as possible.

In the meantime, we will continue to work the issue to develop the best possible approaches to what is a very difficult situation. Thank you for your continued cooperation and support – it is greatly appreciated.

*G. P. "Bud" Peterson*  
President, Georgia Tech